REMARKS

Applicant submits this Amendment and Response in response to an Office Action mailed October 2, 2006. Reconsideration is respectfully requested.

Applicant notes that claims 1-15 were originally presented in this application. Claims 1 and 11 are independent claims.

By this submission, applicant amends independent claims 1 and 11 to more particularly recited the subject matter of the presently claimed system and method. More particularly, applicant has amended both independent claims to more specifically recite that the claimed system/method automatically generates one or more counter offers without user intervention. Support for the proposed amendments to claims 1 and 11 is found throughout the specification, as filed, e.g., page 4, lines 13-21; page 10, line 13 to page 11, line 19; Examples 7 and 8; Fig. 2, and dependent claim 8. Prompt entry of the proposed claim amendments is respectfully requested.

As amended, applicant's independent claims 1 and 11 further emphasize that the disclosed system/method is advantageously adapted to automatically generate one or more counteroffers without user intervention, i.e., on an automated basis. The disclosed system/method draws upon predefined acceptance criteria that are stored in computer storage, and automatically compares an offer to such predefined acceptance criteria. To the extent the offer does not satisfy the predefined acceptance criteria, counteroffers are automatically generated and transmitted to the source of the offer based on predetermined criteria. Thus, after establishing the predefined acceptance criteria, the entity/individual that is seeking to sell a good/service need not participate in the negotiation process in any way. Rather, the negotiation system operates independently and automatically.

Applicant's claimed system/method are altogether different from the network-based

system disclosed in U.S. Patent No. 6,338,050 to Conklin et al. The Conklin '050 patent

contemplates a hosted negotiation engine that simply facilitates communications between a

potential buyer and a potential seller. At every stage of the Conklin negotiation regimen,

however, the buyer and the seller need to be directly and personally involved. Stated

differently, the Conklin '050 patent provides a system that remains bogged down in

individual, personal negotiation decision-making that significantly inhibits the speed and

efficiency of the sales process. Indeed, the Conklin '050 patent contemplates highly

inefficient email alerts to buyers and sellers to advance the negotiation process (see, e.g.,

col. 25, line 52 to col. 26, line 10). In essence, the Conklin '050 patent provides system

users with a hosted clearinghouse for electronic communications, with associated security

functionality and archival storage of negotiation exchanges. Contrary to applicant's

claimed invention, the Conklin '050 patent offers no functionality that automates or

otherwise advances the negotiation process, absent direct participation by the seller and the

buyer.

Turning to the outstanding art rejections:

- Claims 1-2, 4, 7-11 and 13 stand rejected under 35 USC §102(b) over the

  Conklin '050 patent.

- Claims 3, 5-6, 12 and 14-15 stand rejected under 35 USC §103(a) based on the

  Conklin '050 patent in view of US Publication No. 2006/0190416.[1]

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[1]   The Office Action indicates that the Section 103(a) rejection is directed to claims 1-2, 4, 7-11 and 13.
      Based on the examiner's discussion of the Section 103(a) rejection, applicant believes that the rejection
      is actually directed to claims 3, 5-6, 12 and 14-15, and has responded accordingly. In addition, the
      identification of the Himmelstein reference in the body of the Office Action appears to be in error.
      Applicant has addressed the Himmelstein reference identified on the PTO-892 appended to the
      outstanding Office Action. If applicant has misapprehended any aspect of the Section 103(a) rejection,
      it is respectfully requested that a renewed term for response thereto be provided.

Reconsideration of the outstanding art-based rejections is respectfully requested.

With initial reference to the Section 102(b), applicant respectfully submits that the Conklin '050 patent fails to teach or suggest applicant's presently claimed system (independent claim 1) and/or method (independent claim 11). More particularly, applicant submits that the Conklin '050 patent neither teaches nor suggests a processor that is programmed to perform any of the three (3) recited functionalities of independent claim 1, namely:

<blockquote>

automatically assess an offer to purchase a good or service received from a user of the system across said network against predefined acceptance criteria stored in said computer storage,

automatically generate one or more counter offers based on predetermined criteria stored in said computer storage and without user intervention, and

automatically transmit said one or more counter offers across said network to said system user.

</blockquote>

To the contrary, the Conklin '050 patent discloses a system that requires user involvement and intervention at every stage of the negotiation process. There are no predetermined acceptance criteria. There are no predetermined criteria for use in generating one or more counteroffers. And there is no automatic transmission of one or more counteroffers. At most, the Conklin '050 patent automatically generates an email communication to a potential seller to alert him/her that an offer has been received. It is then up to the potential seller to decide -- each and every time -- how to respond to the offer. No automation of the negotiation process exists nor is envisioned by the Conklin

'050 patent. For at least the foregoing reasons, reconsideration and withdrawal of the outstanding rejection of independent claim 1 are requested.

Similarly, with reference to independent claim 11 (method claim), applicant respectfully submits that the Conklin '050 patent fails to teach or suggest three of the four recited steps, namely:

> automatically assessing the offer against predefined acceptance criteria;

> in the event the offer does not satisfy the predefined acceptance criteria, automatically generating one or more counter offers without user intervention;

> automatically transmitting said one or more counter offers across said network to said first location.

As noted above with reference to independent claim 1, the Conklin '050 patent neither teaches nor suggests a method wherein (i) an offer is automatically assessed relative to predefined acceptance criteria, (ii) one or more counteroffers are automatically generated without user intervention in the event the predefined acceptance criteria are not satisfied, and (iii) the counteroffer(s) are automatically transmitted to the source of the offer. To the contrary, the Conklin '050 patent merely facilitates communication between a potential buyer and a potential seller -- with each stage of the negotiation process requiring direct, personal involvement of the seller/buyer. For at least the foregoing reasons, applicant respectfully submits that independent claim 11 patentably distinguishes over the Conklin '050 patent.

Each of the dependent claims that are subject to the outstanding Section 102(b) rejection are patentable over the Conklin '050 patent for at least the reasons noted with respect to independent claims 1 and 11. In addition:

- With particular reference to dependent claim 2, applicant respectfully submits that the Conklin '050 patent neither teaches nor suggests a "formula" for calculating counteroffer(s).

- With particular reference to dependent claims 4 and 13, applicant respectfully submits that the Conklin '050 patent neither teaches nor suggests automated generation and delivery of counteroffers that include combination(s) of price and quantity.

- With particular reference to dependent claim 10, applicant respectfully submits that the Conklin '050 patent neither teaches nor suggests automatic update of inventory levels in the context of an automated negotiation system.

For at least the foregoing reasons, applicant respectfully submits that dependent claims 2, 4, 7-10 and 13 patentably distinguish over the Conklin '050 patent.

Reconsideration and withdrawal of the outstanding Section 102(b) rejection of claims 1-2, 4, 7-11 and 13 is earnestly solicited.

Turning to the outstanding obviousness rejection, applicant respectfully submits that the Himmelstein '416 publication fails to cure the substantial deficiencies in the Conklin '050 patent. In essence, the Himmelstein '416 publication is directed to a "matching engine" wherein a "barterer," i.e., an entity/individual looking to sell and/or buy something, defines the terms associated with his/her offer and submits such offer to a hosted "barter matching engine." The barter matching engine determines whether a matching offer exists in its database module and, if so, the system of the Himmelstein '416 publication facilitates "virtual" consummation of a transaction based on the match.

The Himmelstein '416 publication fails to cure fundamental deficiencies in the Conklin '050 patent. In particular, the Himmelstein '416 patent neither teaches nor suggests automatically assessing an offer against predefined acceptance criteria and, if such

predefined acceptance criteria are not satisfied, automatically generating counteroffer(s) based on predetermined criteria and without human intervention. To the contrary, the Himmelstein '416 publication is limited to effectuating a precise match of opposed offers.
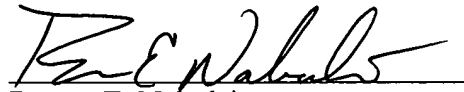
Focusing specifically on the reliance expressed in the outstanding Office Action, applicant respectfully submits that the Himmelstein '416 publication fails to teach or suggest, *inter alia*, the system and/or method of applicant's independent claims 1 and 11, whether taken alone or in combination with the Conklin '050 patent. Accordingly, applicant submits that dependent claims 3, 5-6, 12 and 14-15 patentably distinguish over the proposed combination of the Conklin '050 patent and the Himmelstein '416 publication for at least the reasons noted with respect to the underlying independent claims. In addition, applicant respectfully submits that the Himmelstein '416 publication fails to teach or suggest a "randomization factor" for use in automatically generating counteroffer(s), as disclosed and claimed by applicant (claims 5 and 12).

For at least the foregoing reasons, applicants respectfully submit that dependent claims 3, 5-6, 12 and 14-15 patentably distinguish over the art of record. Reconsideration and withdrawal of the outstanding obviousness rejections directed thereto are earnestly solicited.

In view of the foregoing, applicant submits that all pending claims (i.e., claims 1-15) are in condition for allowance. Accordingly, prompt action leading to an early Notice to this effect is earnestly solicited. If the Examiner believes that a telephone conference would assist in advancing prosecution of this application, the Examiner is invited to contact the undersigned representative at the number indicated.

Respectfully submitted,

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